Demand and supply of coal

†412. SHRI PYARELAL KHANDELWAL: Will the Minister of COAL be pleased to state:

(a) whether it is a fact that there is a great difference between demand and supply of coal;

(b) if so, the quantum of production as well as demand of coal in the country each year for the last three years;

(c) whether Government propose to take foreign help to bridge the gap between demand and supply of coal; and

(d) if so, the details thereof?

THE MINISTER OF COAL (SHRI SHIBU SOREN): (a) As per estimates of the Planning Commission the demand for coal during 2005-06 is 445.65 million tonnes. This demand is planned to be met from domestic supply of 406.48 million tonnes. With proposed imports of 23.89 million tonnes of coking coal for steel sector and 13.45 million tonnes of non-coking coal for power utilities, there will be small gap in coal availability which will be met from enhanced production from indigenous sources.

(b) The demand of coal *vis-a-vis* production during the last three years are given below:—

(in million tonnes)

Year	Demand	Production
2002-03	368.23	341.27
2003-04	385.19	361.17
2004-05	418.40	379.80

(c) No, Sir.

(d) Does not arise in view of reply given in (c) above.

Recommendation of Planning Commission on reforms in coal sector

413. SHRI K. RAMA MOHANA RAO: Will the Minister of COAL be pleased to state:

† Original notice of the question was received in Hindi.

(a) whether it is a fact that the Planning Commission has put forward a number of proposals to kick start reforms in the coal sector;

(b) whether it is also a fact that one of the proposals is to give coal sector infrastructure status;

(c) whether it is also a fact that Planning Commission has recommended for amending the Mines Act to allow coal blocks to private parties;

(d) if so, the details thereof; and

(e) the other proposals put forward by the Planning Commission?

THE MINISTER OF STATE IN THE MINISTRY OF COAL (DR. DASARI NARAYANA RAO): (a) The Planning Commission has made the following recommendations during Mid-term Review of the Tenth Plan:—

1. Pending the passage of the Coal Mines Nationalisation (Amendment) Bill 2000, increase the number of players in coal mining through captive mining. Increase the flexibility of captive mines by permitting captive block holders to sell incidental coal surpluses during development and operation of the block to CIL or directly to currently linked end users; and allow group-captive mines. Set a target for the Ministry of Coal to achieve at least 50 mt. of captive production by 2012.
2. Amend Section 3 of the Coal Mines (Nationalisation) Act, 1973 to facilitate offering of coal blocks to potential entrepreneurs through competitive bidding.
3. Restructure CIL. One possibility could be dismantling of the holding company structure, extending autonomy to the individual coal companies, allowing these coal companies to compete with one another and reviving the loss making coal PSUs.
4. Permit trading and marketing of coal removing it from the list of essential commodities.
5. Make available about 10 per cent of the domestic production through e-auctions open to traders and acutal users.
6. Promote additional thermal coal imports under long term supply contracts.
7. Change grading and pricing of non-coking coal from the existing

Useful Heat Value (UHV) to the international practice of pricing coal based on Gross Calorific Value (GCV). This is expected to encourage efficient use and promote use of washed coal.

8. Amend the provisions of Contract Labour (Regulation & Abolition) Act, 1970 to facilitate offloading of certain activities in coal mining for improved economics of operations.
9. Replace coal linkages with fuel supply agreements.
10. Promote *in situ* coal gasification and tapping of coal bed methane.
11. Rationalise rail freight rates for coal transport.
12. Extend infrastructure status to the coal industry. Lower duties on capital goods imported for coal mines.
13. Institute an independent regulatory mechanism for the coal sector.
14. Review the royalty on coal and consider switching to an *ad-valorem* basis.

Auction of coal through internet

†414. SHRI ABU ASIM AZMI: Will the Minister of COAL be pleased to state:

(a) whether it is a fact that Government have commenced auctioning of coal through internet;

(b) if so, the reasons therefor;

(c) whether small and medium entrepreneurs have asked Government to stop the auctioning process of coal through internet with immediate effect; and

(d) if so, Government's reaction and decision thereon in view of their demand?

THE MINISTER OF COAL (SHRI SHIBU SOREN): (a) and (b) Yes, Sir. The sale of coal through E-marketing was introduced consequent upon the judgement given by the Hon'ble High Court of Kolkata. This scheme aims to curb the black marketing of coal and provide coal to those consumers who have not been getting coal due to absence of

† Original notice of the question was received in Hindi.